

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 COME-00 EB-08 INR-10
LAB-04 NSAE-00 SIL-01 PA-01 ICA-11 SS-15 SP-02
NSC-05 /083 W
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R 131858Z APR 78
FM AMEMBASSY MADRID
TO SECSTATE WASHDC 4218
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY OSLO
AMEMBASSY PARIS
AMEMBASSY THE HAGUE
USMISSION USNATO
USMISSION GENEVA

C O N F I D E N T I A L SECTION 01 OF 02 MADRID 03985

USEEC AND USOECD ALSO FOR EMBASSIES

E.O. 11652: XGDS-1
TAGS: ELAB, PINT, SP
SUBJECT: CALL ON NEW MINISTER OF LABOR

1. I CALLED ON MINISTER OF LABOR RAFAEL CALVO ORTEGA
ON APRIL 12, ACCOMPANIED BY THE LABOR ATTACHE. I WAS
RECEIVED WITH CONSIDERABLE WARMTH AND THE MINISTER
WAS VERY FORTHCOMING IN HIS REMARKS, THE HIGHLIGHTS
OF WHICH ARE REPORTED BELOW.

2. PLANT ELECTIONS AND TRADE UNIONISM. WITH THE
ELECTIONS NOW ABOUT OVER, THE MINISTER ESTIMATED THAT
APPROXIMATELY HALF OF THE WORKERS HAD PARTICIPATED --
TO A LARGE EXTENT IN PLANTS WHERE EITHER THE SOCIALIST
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UGT OR THE COMMUNIST-DOMINATED WORKERS' COMMISSIONS
(CC.OO.) CALCULATED THEY HAD A FAVORABLE POSITION.
HE QUOTED THE OFFICIAL LABOR MINISTRY FIGURES WHICH
GAVE THE CC.OO. 35 PERCENT AND THE UGT 22 PERCENT
(COMPARED TO THE SMALLER SPREAD -- 38 PERCENT CC.OO.
AND 31 PERCENT UGT -- ANNOUNCED BY THE EFE NEWS AGENCY.)
HE BELIEVED THE UGT WOULD BE EXPERIENCING PRESSURE

FROM WORKERS AT THE BASE FOR MORE "LABOR UNITY" EFFORTS WITH THE CC.OO. I TOLD THE MINISTER OF THE AFL-CIO'S (AND THE UAW'S) GREAT INTEREST IN AND GOOD RELATIONS WITH BOTH THE UGT AND THE BASQUE STV. CALVO, FOR HIS PART, STATED HE WISHED THE POLITICALLY-ORIENTED SPANISH UNIONS WOULD TAKE THE AMERICAN BRAND OF BREAD-AND-BUTTER TRADE UNIONISM AS A MODEL. HE AGREED THAT THE STV WAS FOLLOWING THAT TRACK, AND SPOKE HIGHLY OF THE BASQUE REGIONAL UNION. IN RESPONSE TO MY QUESTION REGARDING THE POSSIBLE EMERGENCE OF A CENTER-ORIENTED, NON-MARXIST LABOR MOVEMENT, HE SAID THE GOVT BELIEVED SUCH A DEVELOPMENT WOULD BE GOOD FOR SPAIN. HOWEVER, A TRADE UNION MUST SPRING FROM THE BASE AND COULD NOT BE CREATED FROM THE TOP. THERE WAS ALSO THE PROBLEM OF MONEY, AND HE NOTED THAT BOTH THE UGT AND CC.OO. RECEIVED "SUBSTANTIAL ASSISTANCE" FROM OUTSIDE.

3. TRADE UNION ACTIVITY IN THE PLANTS LEGISLATION. I BROUGHT UP THE CONTROVERSIAL GOVT DRAFT BILL WHICH CURRENTLY HAS SPANISH EMPLOYERS UP IN ARMS. (AS A CONSEQUENCE OF MODIFICATIONS IMPOSED IN THE LABOR SUB-COMMITTEE BY AN OPPOSITION MAJORITY, THE BILL NOW WOULD GIVE THE PLANT COMMITTEES POWERS WHICH THE EMPLOYERS WITH SOME JUSTIFICATION BELIEVE WOULD INFRINGE UPON MANAGEMENT'S EXECUTIVE PREROGATIVES AND WOULD OPEN THE DOOR TO A SYSTEM OF CO-DETERMINATION INCOMPATIBLE WITH CONFIDENTIAL

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THE SPANISH FREE MARKET ECONOMY. THE EMPLOYERS HAVE ASKED THE GOVT TO WITHDRAW THE BILL, AND LABOR FOR ITS PART HAS DECLARED CERTAIN PROVISIONS "NOT-NEGOTIABLE". DEBATE IS SCHEDULED TO MOVE TO THE FULL LABOR COMMITTEE ON APRIL 20.)

4. I TOLD THE MINISTER THAT REPRESENTATIVES OF AMERICAN BUSINESS IN SPAIN HAD EXPRESSED TO ME THEIR DEEP CONCERN ABOUT THE DRAFT LEGISLATION. CALVO PREFACED HIS REPLY BY REMARKING THAT THE LABOR MINISTRY HAD ALWAYS FOLLOWED A FRIENDLY OPEN-DOOR POLICY WITH RESPECT TO AMERICAN BUSINESSMEN, AND WOULD CONTINUE TO DO SO UNDER HIM. THE GOVT COULD NOT ACCEPT THE CHANGED DRAFT BILL AS IT HAD BEEN REPORTED OUT OF THE SUB-COMMITTEE, AND WOULD MODIFY IT TO BRING IT BACK ON TRACK IN THE LABOR COMMITTEE AND IN THE FLOOR DEBATE IN THE CONGRESS. UNDER THE GOVT CONCEPT, THE PLANT COMMITTEE WAS TO BE BASICALLY A MEDIUM FOR CONSULTATION AND EXCHANGE OF INFORMATION BETWEEN LABOR AND MANAGEMENT, IN ADDITION TO ENJOYING SUCH TRADITIONAL FUNCTIONS AS MONITORING OF HEALTH AND WORKING CONDITIONS, HANDLING GRIEVANCES, ETC. WITH NO OVERTONES OF CO-DETERMINATION.

ANY DATA ON A FIRM'S ECONOMIC HEALTH PASSED ON TO THE
PLANT COMMITTEE WAS TO BE CONSIDERED AS PRIVILEGED
INFORMATION.

5. A MAJOR PROVISION OF THE PROPOSED LEGISLATION WOULD
AUTHORIZE THE ESTABLISHMENT OF UNION LOCALS (SECCION
SINDICAL) IN PLANTS WITH A WORK FORCE OF OVER 750 OR
1000 (WHICH HE ESTIMATED NUMBERED SOME 800 TO 900

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THROUGHOUT SPAIN), IF THE UNIONS COULD MUSTER A MEMBER-
SHIP OF AT LEAST 10 PERCENT OF THE WORK FORCE. HE
THUS HOPED THAT IN THESE LARGER PLANTS, EMPLOYERS
WOULD AS A CONSEQUENCE DEVELOP HEALTHY AND MODERN
INDUSTRIAL RELATIONS HABITS. THE UNION LOCALS WOULD
INITIALLY HAVE A LIMITED ROLE (DUES COLLECTION,
DISTRIBUTION OF UNION INFORMATION, ETC.) AND WOULD NOT
BE THE COLLECTIVE BARGAINING AGENTS (RESERVED FOR THE
PLANT COMMITTEES). HOWEVER, LOOKING AT MATTERS
REALISTICALLY, CALVO SAW THE UNION LOCALS RAPIDLY
EXERTING THEIR INFLUENCE ON THE PLANT COMMITTEES.

6. I NOTED THAT I WAS DISTURBED THAT CEOE (EMPLOYERS)

PRESIDENT CARLOS FERRER HAD CHOSEN THE U.S. AS HIS
PLATFORM FOR THE VERY STRONG CEOE DENUNCIATION OF
THE DRAFT LAW (FERRER'S APRIL 10 SPEECH AT THE SPANISH
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INSTITUTE, NEW YORK CITY), WHICH COULD LEAD TO
ACCUSATIONS THAT THE USG WAS SOMEHOW INVOLVED IN
PRESSURING THE SPANISH GOVT ON THIS INTERNAL POLITICAL
MATTER. THE MINISTER ASSURED ME THAT THE THOUGHT
HAD NOT CROSSED HIS MIND AND THAT HE THEREFORE DID NOT
THINK THIS WOULD BE A PROBLEM. HE WENT ON TO
COMMENT THAT WHILE AT ONE STAGE OF THE GAME THE EMPLOYERS'
STRONG PUBLIC REJECTION OF THE DRAFT LAW HAD BEEN
TACTICALLY HELPFUL IN LINING UP PARLIAMENTARY SUPPORT
TO CORRECT THE DAMAGE DONE BY THE SUBBCOMMITTEE, THEIR
CONTINUED BLASTS HAD RESULTED IN AN OVERKILL. AS A
CONSEQUENCE, THE TRADE UNIONS HAD THEIR BACKS UP, AND
A COMPROMISE SOLUTION WOULD NOW BE MORE DIIFICULT.

7. THE 44-YEAR OLD CALVO ORTEGA GAVE EVERY INDICATION
OF BEING MOST FRIENDLY TO THE U.S. HE HAS A DISTINGUISHED
UNIVERSITY BACKGROUND IN THE FIELD OF FISCAL LAW. HE
WAS ELECTED UCD SENATOR FROM SEGOVIA IN THE 1977
LEGISLATIVE ELECTIONS, AND SERVED AS SPOKESMAN FOR
THE SENATE'S UCD PARLIAMENTARY GROUP. HE REEORTEDLY
DISTINGUISHED HIMSELF IN THAT CAPACITY AND IS SAID TO
BE CLOSE TO PRIME MINISTER SUAREZ. HIS EXCELLENT
POLITICAL CONNECTIONS WILL HELP COMMENSATE FOR HIS
LACK OF EXPERIENCE IN LABOR RELATIONS AND SHOULD STAND
HIM IN GOOD STEAD AT A TIME WHEN THE GOVT PLANS TO MAKE
SWEEPING CHANGES IN OUTDATED LABOR LEGISLATION. STABLER

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